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Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE PERIOD ENDING DECEMBER 31st, 1945

TO THE SHAREHOLDERS:

On behalf of your Directors, there is submitted herewith the Annual Report of your Company for the year 1945.

Provision has been made for depreciation, reserves and contingencies, also estimated allowances for Income and Excess Profits Taxes.

The volume of construction work carried out by your Company in 1945 was approximately double that of the previous year but increased cost of operations caused by short supply of materials and the scarcity of certain categories of skilled workmen and continued taxation, leave the net earnings for the year showing only a slight improvement over 1944.

Owing to considerable inconvenience caused by the similarity of its name with another competitive company, the name of the "National Granite Works Limited" one of the Corporation's subsidiary companies, was changed to "Anco Granites Limited" by authority of Supplementary Letters Patent, granted by the Department of the Secretary of State of Canada under date of November 10th, 1945.

With the redemption of the Preferred Stock fully completed in 1944, your Directors have inaugurated a Dividend Policy on the Common Stock of the Corporation at One Dollar and Fifty Cents (\$1.50) per share for the year 1945 and it is anticipated that this rate can be maintained.

The Balance Sheet reflects the fact that a portion of the net profits for 1945 have been set aside as a "Reserve for Profit Sharing Plan". This Reserve cannot be apportioned or distributed till the present restrictions of the "War-time Salaries Order" are amended or rescinded.

To the employees of the Company who served with the armed forces who have been released and again taken their place in the organization, your Directors desire to pay tribute and to express satisfaction over their return.

Your Executive is constantly striving to maintain and improve the organization and its equipment with a view to being prepared for the prospective surge in construction work.

The appreciation of the Directors is recorded for the loyal and efficient service rendered by all employees throughout the year.

Respectfully submitted on behalf of the Directors,

HENRY J. GROSS,
CHAIRMAN OF THE BOARD.

MONTREAL, APRIL 20th, 1946.

PURVIS HALL
LIBRARIES

APR 23 1946

McGILL UNIVERSITY

Assets

CURRENT ASSETS:

Cash on Hand and in Banks.....	\$ 65,525.60
Cash on Deposit (Government Contracts).....	30,000.00
Bonds and Investments, At Cost.....	419,441.41
(Market Value \$432,692.00)	
Accounts Receivable.....	590,099.52

TOTAL CURRENT ASSETS.....	\$1,105,066.53
Refundable Portion of Excess Profits Tax.....	39,373.93
Material and Perishable Tool Inventories at the lower of Cost or Market.....	23,747.17

FIXED ASSETS:

Plant and Equipment, At Cost.....	\$422,390.64
Office Building, Mile End Plant and Iberville Granite Cutting Works, At Cost.....	\$208,945.45
Properties—Montreal.....	21,585.68
	230,531.13

	\$652,921.77
Less: Depreciation Reserve.....	426,205.99
	226,715.78
	\$1,394,903.41

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its Subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, Anco Granites Limited, Anglin-Norcross Maritime Limited and Rosslin Improvement Company Limited, for the year to December 31st, 1945.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Buildings, Plant and Equipment.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR,

Chartered Accountants.

MONTREAL, JANUARY 30TH, 1946.

Approved— { HENRY J. GROSS }
 { W. S. LESLIE } Directors

Clients - 1945

ALUMINUM COMPANY OF CANADA LIMITED
AUTOMOTIVE EQUIPMENT COMPANY LIMITED
AYERST, McKENNA & HARRISON LIMITED
BARRETT COMPANY LIMITED
BELDING-CORTICELLI LIMITED
HENRY G. BIRKS ESQ.
BRANDRAM HENDERSON LIMITED
BRITISH AMERICAN OIL COMPANY LIMITED
BRODIES LIMITED
BUILDING PRODUCTS LIMITED
CANADA CYCLE & MOTOR COMPANY LIMITED
CANADIAN BANK OF COMMERCE
CANADIAN GENERAL ELECTRIC COMPANY
LIMITED
CANADIAN NATIONAL EXHIBITION
CANADIAN PACIFIC RAILWAY COMPANY
CANADIAN STEEL STRAPPING COMPANY
LIMITED
CATTON WOOD PRODUCTS LIMITED
CRANE LIMITED
DOMINION OF CANADA
DEPARTMENT OF MUNITIONS AND SUPPLY
DOMINION GLASS COMPANY LIMITED
DOMINION PAPER COMPANY
DOMINION RUBBER COMPANY LIMITED
LOUIS DRUMMOND ESQ.
ELECTRIC STEELS LIMITED
W. & A. GILBEY LIMITED
GLOBE & MAIL
CHAS. GURD & COMPANY LIMITED
J. O. HASTINGS ESQ.
H. J. HEINZ COMPANY OF CANADA LIMITED
HENDRIE & COMPANY LIMITED
HOBBS GLASS LIMITED
KELLOGG COMPANY OF CANADA LIMITED

KENDALL BROTHERS INCORPORATED
LEEMING MILES COMPANY LIMITED
ELI LILLY & COMPANY (CANADA) LIMITED
MCGILL UNIVERSITY
MERCK & COMPANY LIMITED
ROBERT MITCHELL COMPANY LIMITED
MONTREAL COTTONS LIMITED
MONTREAL GENERAL HOSPITAL
(WESTERN DIVISION)
MONTREAL REFRIGERATING & STORAGE
LIMITED
MURPHY PAINT COMPANY LIMITED
NATIONAL TRUST COMPANY LIMITED
NORTHERN MINER PRESS LIMITED
ODEON THEATRES CANADA LIMITED
J. E. OPENSHAW ESQ.
PRICE BROTHERS & COMPANY LIMITED
PROVINCE OF ONTARIO
DEPARTMENT OF LANDS AND FORESTS
PROVINCE OF ONTARIO
DEPARTMENT OF PUBLIC WORKS
QUEBEC-HYDRO ELECTRIC COMMISSION
ROYAL MONTREAL GOLF CLUB
ROYAL TRUST COMPANY
ST. JAMES BUILDING
(ST. JAMES UNITED CHURCH)
ST. JOSEPH'S COLLEGE
SANGAMO COMPANY LIMITED
J. R. SHORT MILLING COMPANY (CANADA)
LIMITED
SIMMONS LIMITED
ROBERT SIMPSON COMPANY LIMITED
SINGER MANUFACTURING COMPANY LIMITED
STANDARD BRANDS LIMITED
TORONTO DAILY STAR
WALTER P. ZELLER ESQ.

Surplus—Earned

Profit on Completed Contracts after providing for all Operating Expenses and Depreciation of \$20,118.15 together with Income from Investments of \$19,559.23 for the year to December 31st, 1945	\$ 123,132.39
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DEDUCT:

Directors Fees	2,850.00	
Executive Remuneration	26,100.00	
Legal Fees	204.60	
Provision for Income and Excess Profits Taxes	39,885.60	69,040.20

Net Profit for Year to December 31st, 1945	54,092.19
Transferred to Reserve for Profit Sharing Plan	20,486.00
Transferred to Earned Surplus	33,606.19

Earned Surplus, December 31st, 1944	811,382.79
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<i>Add:</i> Adjustment of 1941, 1942 and 1943 Income and Excess Profits Taxes			
	\$ 17,218.03		
Adjustment of Asset and Depreciation Accounts Applicable to previous years...			
2,617.53	19,835.56	831,218.35	
		\$ 864,824.54	

DEDUCT:

Dividend on Common Shares at \$1.50 share	9,840.00
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EARNED SURPLUS, <i>December 31st, 1945</i>	\$ 854,984.54
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Consolidated Balance Sheet

December 31st, 1945

Liabilities

CURRENT LIABILITIES:

Accounts and Bills Payable.....	\$333,249.85	
Dividend Declared Payable Feb. 1st, 1946.....	9,840.00	
Provision for Income and Excess Profits Taxes (After prepayment of \$6,300.00).....	33,585.60	\$ 376,675.45

Reserve for Investments.....	70,583.49
Reserve for Profit Sharing Plan.....	20,486.00

CAPITAL STOCK:

Common, No Par Value

Authorized.....10,000 Shares.....	
Issued.....6,560 Shares.....	32,800.00

SURPLUS—EARNED.....	\$854,984.54
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SURPLUS—DEFERRED

Refundable Portion of Excess Profits Tax.....	39,373.93	894,358.47
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\$1,394,903.41

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. ANGLIN	Montreal	P. N. GROSS	Montreal
F. H. BACQUE	Toronto	T. A. GUNN	Montreal
G. W. BIRKS	Montreal	J. E. HARRINGTON . . .	Montreal
H. J. GROSS	Montreal	W. S. LESLIE	Montreal

OFFICERS

<i>Chairman of the Board</i>	HENRY J. GROSS
<i>President</i>	PHILIP NORCROSS GROSS
<i>Vice-President</i>	WILLIAM G. LAMBERT
<i>Vice-President</i>	ROBERT W. JOHNSTONE
<i>Vice-President and Secretary-Treasurer</i>	THOMAS A. GUNN
<i>Assistant Secretary-Treasurer</i>	LESTER S. UNDERWOOD

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED	.892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED	.57 Bloor Street West, Toronto
ANGLIN-NORCROSS MARITIME LIMITED	.319 Roy Building, Halifax
ANCO GRANITES LIMITED	Iberville, Que.
ROSSLIN IMPROVEMENT COMPANY LIMITED	892 Sherbrooke St. W., Montreal